

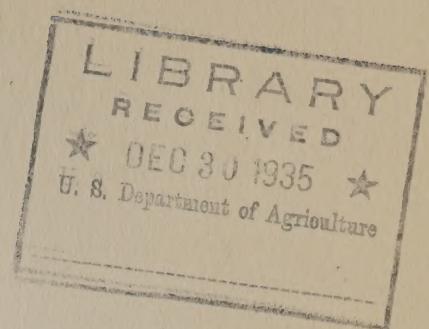
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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

Cotton Educational Meeting No. 1.

DISCUSSION OUTLINE

COTTON ADJUSTMENT UNDER THE AAA



Note: This outline is intended as a guide to cotton committeemen or county agents in either leading community discussion, or in making straight speech presentation of the facts. It is based on Cotton Leaflet No. 7 of the above title, designed as the basis for the first community meeting in presenting the present cotton situation and the high lights of the proposed 1936-39 cotton adjustment program.

It is suggested that Cotton Leaflet No. 7 be distributed a few days in advance of the community meeting to at least six (preferably more) leading members of the community in order that the discussion be based on facts.

1. GROWERS WILL DECIDE WHETHER AAA COTTON PROGRAM IS TO CONTINUE

A. Should production be adjusted to demand?

1. Would cotton farmers prefer the old system of unrestricted competitive production?
2. What is the purpose of the cotton adjustment program?
 - a. Is an "cotton at any price" policy profitable?
 - b. What should cotton growers consider in reaching a decision?

B. What has been the trend in the cotton industry since 1900?

1. What happened to farm income in this period?
 - a. How low did the income of the farm family in the Cotton Belt drop?
 - b. Did this work any hardship on cotton farmers?
2. How did foreign competition affect the cotton farmer?
 - a. Did the tariff on manufactured goods add to the farmer's troubles?
3. Why did previous attempts to adjust production fail?
 - a. What was the situation of the cotton farmer in 1932?

III. THE CHANGE SINCE 1932

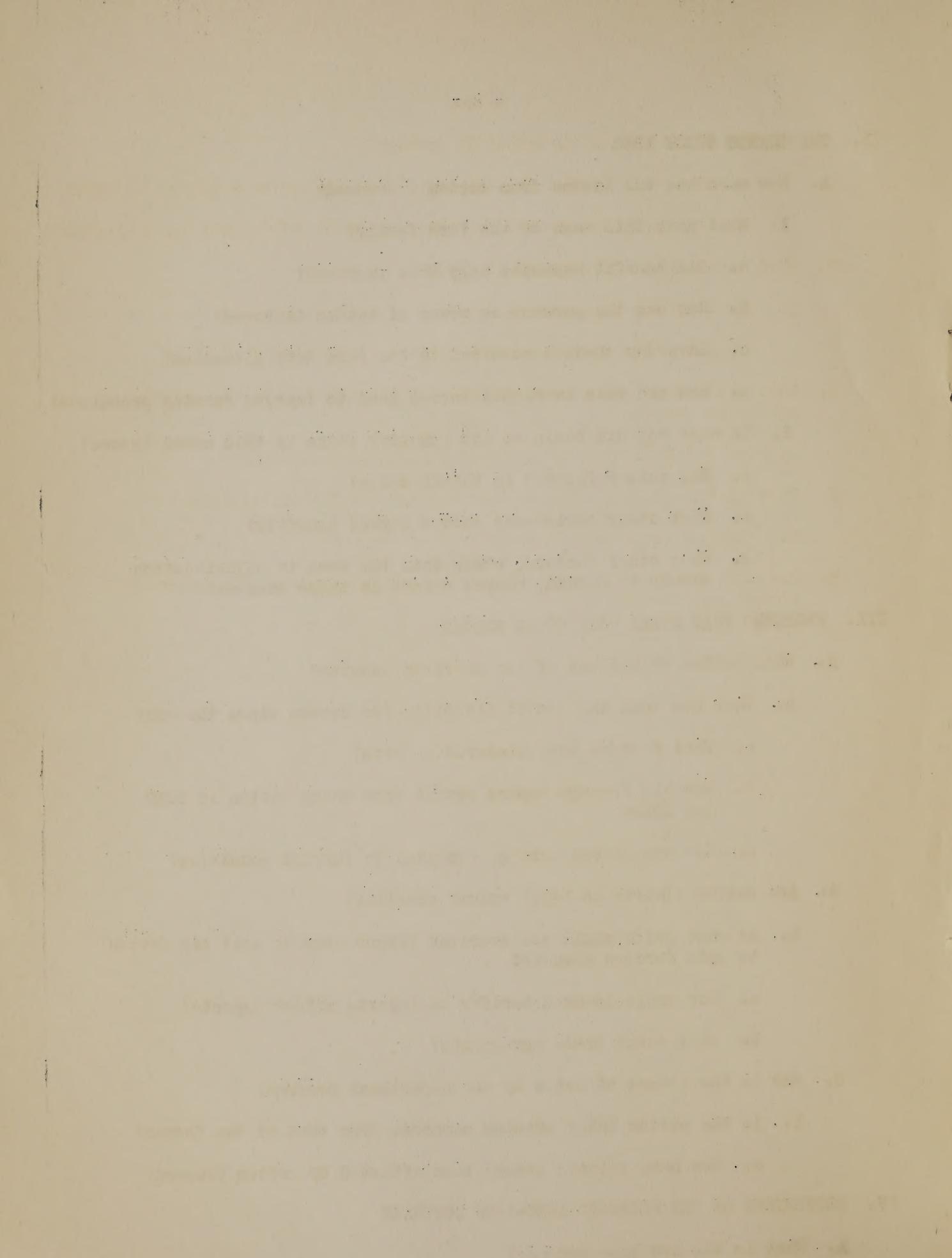
- A. How much has the income from cotton increased?
 - 1. What does this mean to the farm family?
 - a. Did benefit payments help this increase?
 - b. How was the purchasing power of cotton improved?
 - c. Have any changes occurred in the farm debt situation?
 - d. How did this increased income tend to improve farming practices?
 - 2. In what way did business and industry share in this added income?
 - a. Was this reflected in retail sales?
 - b. What other businesses showed marked benefits?
 - c. What other factors, other than the move to adjust cotton supply to demand, played a part in these changes?

III. PROBLEMS THAT STILL NEED TO BE SOLVED

- A. Will cotton adjustment affect American exports?
 - 1. What has been the export situation for cotton since the war?
 - a. What factors have hindered exports?
 - b. How did foreign buyers profit from cheap cotton in 1932 and 1933?
 - c. How has cotton acreage expanded in foreign countries?
- B. Are cotton exports in large volume possible?
 - 1. At what price would the American farmer have to sell his cotton to gain foreign markets?
 - a. How would lowered tariffs on imports affect exports?
 - b. What about trade agreements?
- C. How is the tenant affected by the adjustment program?
 - 1. Is the cotton labor problem separate from that of the farmer?
 - a. How have related groups been affected by cotton program?

IV. PROVISIONS OF THE PROPOSED 1936-1939 CONTRACT

- A. What is the new base acreage?



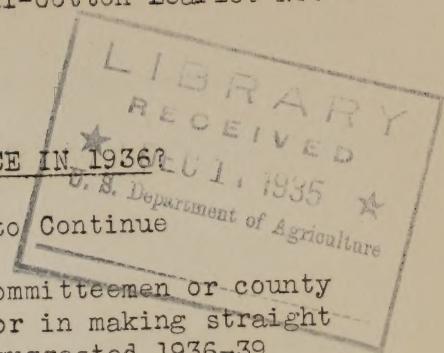
1. How will this be allocated to growers?
 - a. What will be the minimum adjustment by contract signer in 1936?
 - b. How will adjustments for contract years after 1936 be determined?
- B. What is the rate of payment for 1936?
 1. How will the payments be made?
 - a. How will rates for later years be determined?
- C. Will the signer be allowed to end his contract before the 4-year period is over?
 1. Can the Secretary of Agriculture suspend contracts?
- D. What is the minimum acreage for planting to fulfill contract?
 1. What is to be done with "adjusted" acres?
- E. How will benefits be shared when two or more persons are interested in the same crop?

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DISCUSSION OUTLINE

HOW MUCH COTTON SHOULD THE UNITED STATES PRODUCE IN 1936?

Farmers Must Decide Whether the AAA Program Is to Continue



Note: This outline is intended as a guide to cotton committeemen or county agents in either leading community discussion, or in making straight speech presentation of the facts in the second suggested 1936-39 cotton adjustment program campaign meeting.

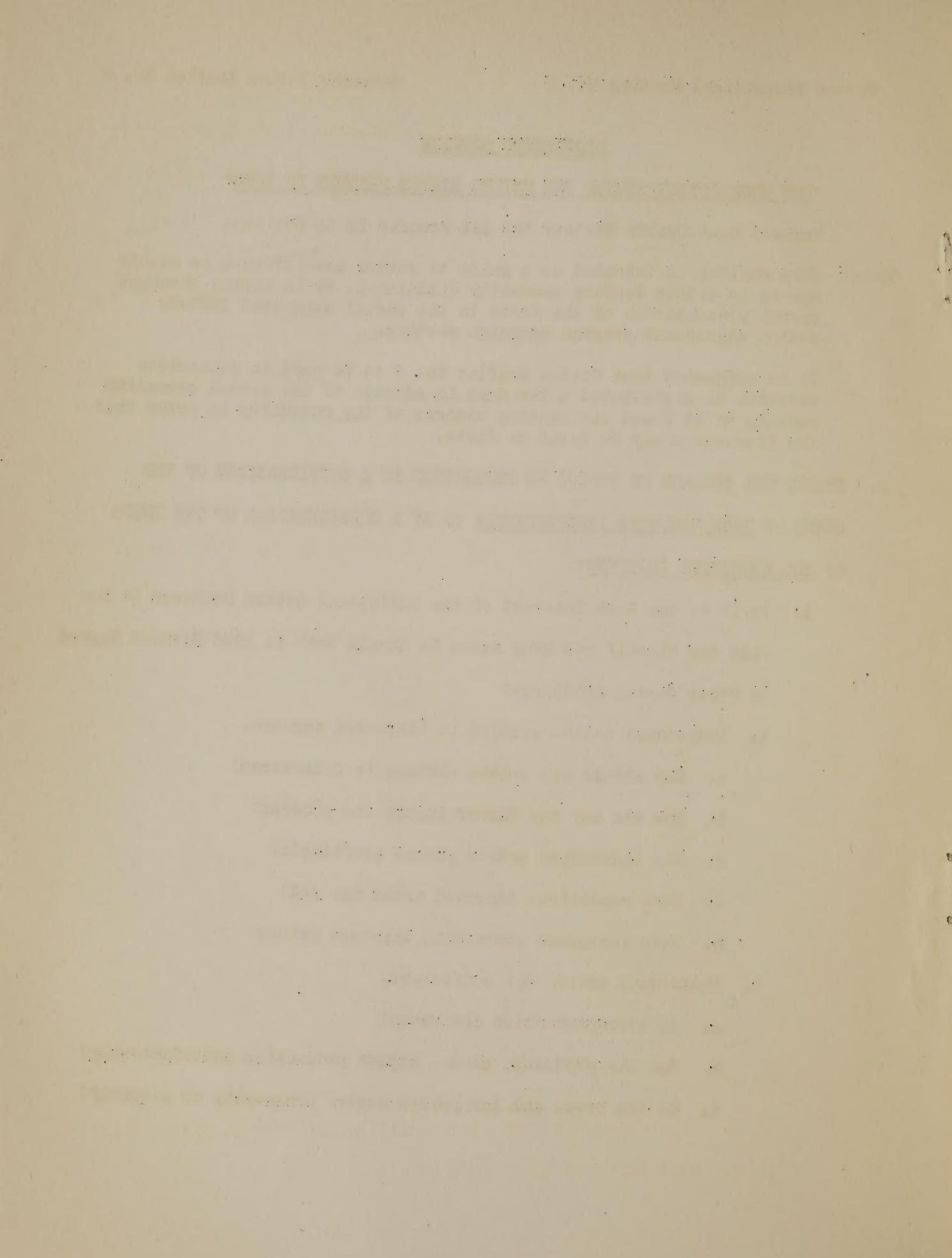
It is suggested that Cotton Leaflet No. 6 to be used in connection herewith be distributed a few days in advance of the second community meeting to at least six leading members of the community in order that the discussion may be based on facts.

I. SHOULD THE ACREAGE OF COTTON BE DETERMINED BY A CONSIDERATION OF THE NEEDS OF EACH PRODUCER INDEPENDENTLY OR BY A CONSIDERATION OF THE NEEDS OF ALL PRODUCERS TOGETHER?

A. Is it to the Best Interest of the Individual Cotton Producer to Decide for Himself how Many Acres He Should Grow in 1936 Without Regard to Other Cotton Producers?

1. Individual action results in increased acreage.
 - a. Why should all cotton acreage be considered?
 - b. How can any one farmer injure the program?
 - c. Has individual action proved profitable?
 - d. Have conditions improved under the AAA?
 - e. Does increased production increase prices?

2. Individual action not sufficient.
 - a. Is over-production desirable?
 - b. Can the producer, alone, adjust production satisfactorily?
 - c. Do big crops and low prices assure prosperity or security?

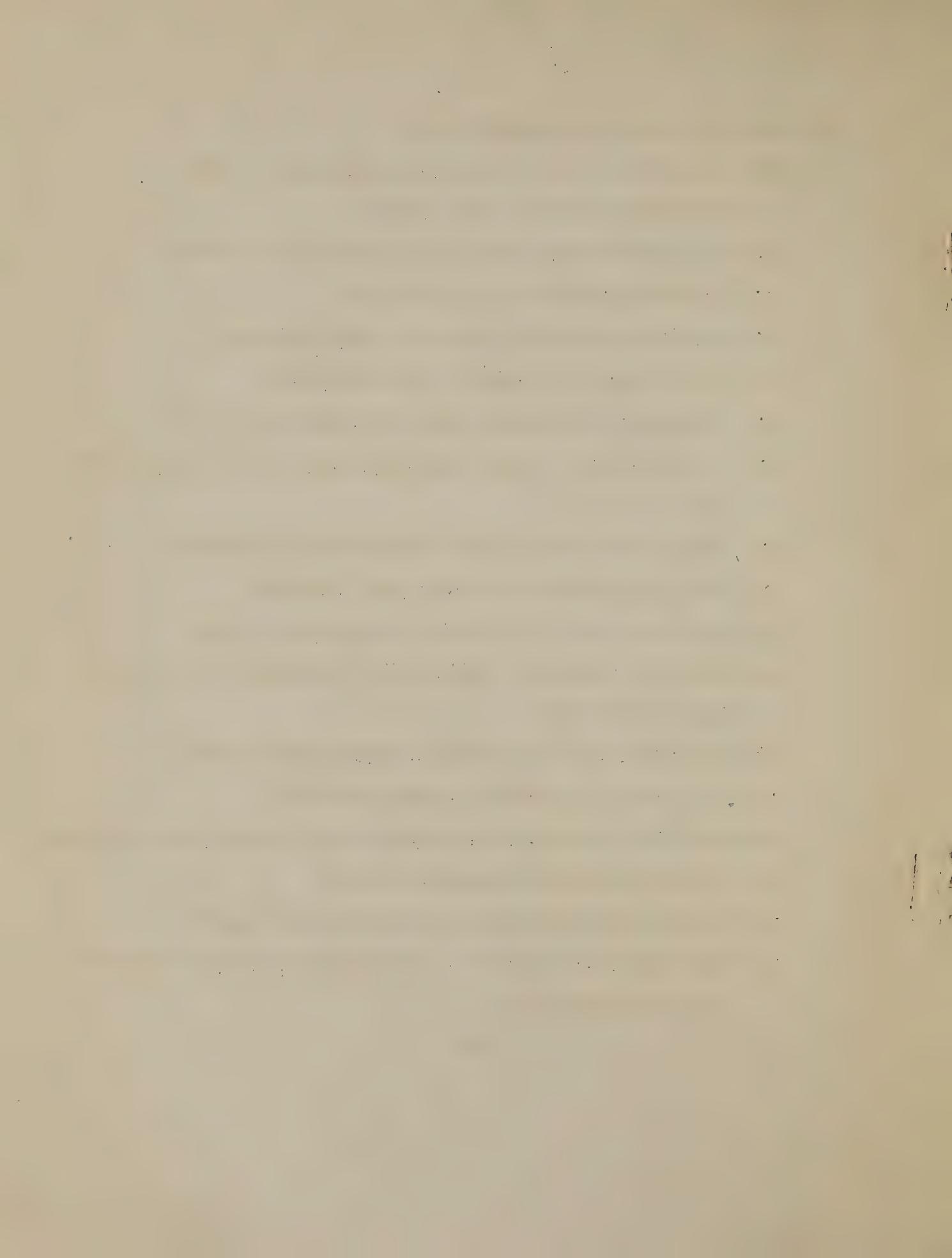


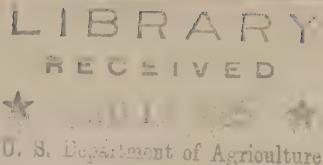
B. Is it to the Best Interest of the Individual Cotton Producer to Join With Other Producers in Determining His Cotton Average in 1936?

1. Excessive supply means low income;
 - a. Should supply and demand be kept in balance?
 - b. Can the individual producer increase his own income if the total income for the crop is reduced?
2. Cheap cotton does not always reduce the average acreage planted.
 - a. Why was the cotton plow-up necessary?
 - b. Did the 1933 crop bring a better price?
 - c. How does the world supply affect prices?
 - d. Has cooperation, under the AAA, helped the cotton grower?
3. Will history be repeated?
 - a. Has adjustment by individuals ever proved successful?
 - b. What happened in 1905?
 - c. Was this movement continued?
 - d. What happened in 1915?
 - e. Was there a unified move to control production?
 - f. What happened in 1920?
 - g. Why did the 1921 acreage decline?
 - h. What happened in 1926-1927?
 - i. Did all cotton states work together?
4. Agricultural adjustment begun in 1933.
 - a. What is the aim of the AAA?
5. Farmers must choose.
 - a. Who decides whether there shall be cotton adjustment or not?
 - b. Must there be unity of action?

III. HOW MUCH COTTON SHOULD BE PRODUCED IN 1936?

- A. What Should Be the Total United States Production in 1936?
 - a. What factors influence world prices?
 - b. Is the world carry-over larger than the 10-year average?
 - c. Has world consumption of all increased?
 - d. Has world consumption of American cotton increased?
 - e. Why have exports of American cotton decreased?
 - f. Is America now producing more cotton than can be sold?
 - g. Is it necessary to reduce the world carry-over of American still more?
 - h. Will America's policy in 1936 affect foreign production?
 - i. How long has foreign production been increasing?
- B. How Much Cotton Should Be Produced in Each State in 1936?
 - a. Should the individual states exceed their share of the national production for 1936?
- C. How Much Cotton Should be Produced in Each County in 1936?
 - a. May counties be allowed to expand production?
- D. How Much Cotton Should Each Individual Cotton Producer Produce in 1936?
 - a. On what does national adjustment depend?
 - b. Can individual producers obtain governmental support?
 - c. What would be the result if each individual producer expanded his own cotton production?





DISCUSSION OUTLINE

COTTON EXPORTS AND FOREIGN COMPETITION

Based on two leaflets: G-43 "World Cotton Markets," and G-49 "What Countries Shall Supply the World With Its Cotton?", both issued by the Agricultural Adjustment Administration.

Note: This outline is intended as a guide to cotton committeemen or county agent in either leading community discussion, or in making straight speech presentation of the facts in the third suggested 1936-39 cotton adjustment program campaign meeting.

It is suggested that the two leaflets to be used in connection herewith be distributed a few days in advance of the third community meeting to at least six leading members of the community in order that the discussion may be based on facts.

A. AMERICA'S COTTON MARKETS (Use G-43 as text)

I. Importance of Exports

- (1) Do large exports always mean more dollars to cotton growers?
- (2) Do cotton farmers sometimes waste their land in surplus production?
- (3) Why was a short American cotton crop bad for the U. S. before the War?

II. Prospects for Selling Cotton Abroad

a. Germany

- (1) What has kept Germany from paying for imports of American cotton with exports of finished goods?
- (2) Has Germany's inability to sell finished goods abroad led to the production of Vistra as a cotton substitute?
- (3) How much cotton could America probably sell Germany at 3 cents per pound?

b. United Kingdom

- (1) How has the depression in the British textile industry affected British consumption of cotton?
- (2) Why do British mills now buy a smaller proportion of their cotton from America than in the past?

c. France

- (1) Is French consumption of American cotton changing?

d. Italy

- (1) Has Italy done anything to restrict imports to prevent the outflow of gold? What?
- (2) Has this injured American cotton exports to Italy?
- (3) Has Italian consumption of American cotton decreased as much as exports to that country?
- (4) How much does Italy tax imports of cotton to promote the use of a substitute fiber?

e. Russia

- (1) Is Russia likely to be a big factor in world cotton trade any time soon?
- (2) Why does Russia need for home consumption all of the cotton it can produce?
- (3) How much more cotton is Russia producing now than before the war?

f. China

- (1) Does China export much cotton?
- (2) Does China import cotton?
- (3) Why did American exports of cotton to China jump high in 1931-32?

g. Japan

- (1) Why is Japan able to get a larger share of the world's markets for finished cotton goods?
- (2) Why did Japan replace Great Britain as our chief cotton customer?
- (3) Why was America able to sell Japan so much cotton in 1931-32?
- (4) Did Japan's trade of cloth for cotton with India in 1934 reduce our exports of cotton to Japan?

III. Ways in Which America Can Sell More Cotton

- (1) Why can't foreign countries pay gold for American cotton?
- (2) How do tariffs keep foreign countries from paying for American cotton by selling manufactured goods to the United States?
- (3) Is the United States likely to lend foreign countries money with which to buy American cotton?
- (4) Can the United States make trading agreements with foreign countries whereby it can trade them cotton in return for imports of certain specified goods?
- (5) Is there any way of selling more cotton abroad except by importing more goods from abroad?

B. AMERICA'S COTTON GROWING COMPETITORS (Use G-49 as text)

I. World Trends and Production

- (1) How many countries grow cotton?
- (2) Had these countries been increasing production before 1933?
- (3) About how much cotton did foreign countries produce in the five years before the war?
- (4) About how much cotton did these countries produce in the 1920's?
- (5) About how much did they produce in each of the last two years - 1933-34 and 1934-35?
- (6) Did the recent upward trend of foreign cotton production begin before or after the American plow-up of 1933?

II. Prospects of Future Increases in Foreign Production

a. Cotton export countries (India, Egypt, Peru, Argentina and Brazil).

- (1) What part of the foreign cotton output is raised in this group of countries?
- (2) Can India be expected to increase production much in the future? Why?
- (3) Can Egypt be expected to increase production in the near future? Why?
- (4) How much cotton does Peru produce annually? Is it expected to increase?
- (5) Is Argentina expected to increase production?
- (6) Did Brazil begin increasing cotton production before the American plow-up in 1933?
- (7) What are some of the reasons for increased cotton production in Brazil?
- (8) What are the prospects for still further increases in Brazil?

b. Home-Use Cotton Producing Countries (Russia, China, Mexico)

- (1) What part of the foreign cotton production is raised in these three countries?
- (2) Does the price of American cotton influence cotton production in these countries?
- (3) Do these countries export cotton?

III. Need of Long-Time Cotton Program

- (1) How large is the American carry-over of cotton?
- (2) How much has it been reduced since the adjustment program started?

- (3) Is there any chance for good cotton prices as long as the American carry-over is two or three times its normal size?
- (4) Do you think present cotton prices are encouraging increased foreign production?
- (5) Do high American tariffs bring pressure on the rest of the world to grow its own cotton? Why? How?
- (6) Would it be wise American policy to abandon production control in the attempt to discourage foreign production through low American cotton prices?
- (7) Do you think it possible to have cotton adjustment programs that will restrict production moderately without unduly helping foreign production, and at the same time keep the American farmers' cotton income at a reasonably high level?

